

January 26, 2010

Christian W.E. Haub, Executive Chairman
The Great Atlantic & Pacific Tea Company
2 Paragon Drive
Montvale, NJ 07645

Subject: Superfresh in Rockville Town Square

Dear Mr. Haub:

We, the Mayor and Council of Rockville, Maryland, are writing to express the longstanding and deep frustration of the Rockville community regarding the empty store in Rockville Town Square. For nearly three years, we have been told that there is a lease agreement between Superfresh and Federal Realty Investment Trust (FRIT), and that Superfresh is about to start construction. To date, we have seen no sign of progress.

Every day, Rockville residents, retailers and shoppers ask when this store will open. Approximately 1,000 people have moved into the new mixed-use Town Square, including some who have bought condominiums with the understanding that there would be a grocery store within easy walking distance. For three years, approximately 10,000 employees in downtown Rockville, where the City and County government employment centers are located, have been anticipating making lunch and post-work shopping trips; and 50,000 vehicles pass along Rt. 355 knowing that Rockville Town Square is open except for its largest tenant. People throughout Rockville and in broader Montgomery County know that the vacant Superfresh space is what makes Rockville Town Square incomplete.

On July 30, 2008, the Mayor and Council sent a letter (attached) to then-CEO Eric Claus, expressing the frustrations and concerns over what at that point seemed to be an extended delay. 18 months later, there does not appear to be significant progress.

The Rockville Town Square mixed-use development has been in full operation since the dedication ceremony in July 2007, though some retailers opened even earlier. It is a wonderful success. Retailers report that this past holiday season was strong. The residences are approximately 90% occupied. The Rockville Library, which is part of the project, is one of the busiest in the county. The business “incubator,” the Rockville Innovation Center, is 100% occupied and has a waiting list. In addition, City- and FRIT-sponsored events attract many tens of thousands of people every year to Rockville’s revitalized downtown. This location has become what was dreamed years ago – the new center and heart of the city.

The biggest gap is the grocery store, which stands vacant and remains the single largest concern of many Rockville citizens regarding the success of this extraordinary public-private effort. Since the early planning for the development of Rockville Town Square,

citizens, business owners and private investors have all understood that an accessible grocery store is a crucial component of the mixed-use environment that we have worked so hard to create.

The City has invested more than \$50 million in public funds, including parking facilities that will support the grocery store; and Montgomery County has invested more than \$40 million. We made this investment because the vision of a vibrant revitalized downtown Rockville was widely shared by so many in the community. Private sector partners have invested more than \$200 million, including retailers who invested based on their expectation of Superfresh as an “anchor” tenant.

For years, the City has heard repeated commitments that a presentation of the design of the store is imminent. The time has come for Superfresh either to step forward and meet its commitment, or move out of the way so that another tenant can be found. We have no doubt that the great location will be profitable for a successfully managed business. We commit to you, however, that Superfresh will be welcomed to the Rockville community if you move forward to bring a strong grocery store.

Please contact either our office or that of the City Manager, Scott Ullery, to discuss any issues or concerns that are obstacles to opening; but, even better, to inform us when we can expect to see a Superfresh opening in Rockville Town Square.

Sincerely,

Phyllis Marcuccio, Mayor

John Britton, Councilmembers

Piotr Gajewski, Councilmember

Bridget Newton, Councilmember

Mark Pierzchala, Councilmember

Attachment

Cc: Scott Ullery, City Manager
Susan Swift, Director, Community Planning and Development Services
Don Wood, President and CEO, Federal Realty Investment Trust
Matt Wexler, CIM
Adam Weber, President, Palladian Residents Association
Martin Feldman, President, The Victoria Condominium Association
Janet Wilson, President, The Americana Centre Association
Susan Prince, President, West End Citizens Association
Town Center Action Team

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ATTACH A

Bcc: David B. Levy, City of Rockville
Robin McBride, Federal Realty Investment Trust